

Fact Sheet

Community Foundations

Community foundations make up one of the fastest growing sectors of philanthropy in the United States today. They build and strengthen communities by making it possible for a wide range of donors to create permanent, named component funds to meet critical needs. Community foundations, through philanthropy that is visionary, diverse and inclusive, have become catalysts for improvement within urban centers and in rural settings.

There are nearly 700 community foundations in the United States, more than 490 of which are members of the Council on Foundations. More than 471 community foundations in the United States have agreed to comply with National Standards for U.S. Community Foundations, which were launched in 2001. The community foundation model has spread throughout the world, including the Caribbean, Australia and New Zealand, Canada and Mexico, Eastern and Western Europe, Russia and the former Soviet Republics and is rapidly expanding across Africa. The 2004 Community Foundation Global Status Report, published by Worldwide Initiatives for Grantmaker Support (WINGS), estimates that there are at least 470 community foundations in 41 countries outside the United States, with at least another 140 in development around the world.

Community foundations in the United States hold approximately \$39.4 billion in assets and are located throughout the country. In 2004, community foundations gave more than \$3 billion to a wide variety of nonprofit activities, including urban affairs, the arts, education, environmental projects, health and disaster relief.

Community foundations offer donors many services and benefits. They routinely work with families, individuals, attorneys and estate and financial planners to design gift plans that fit every economic situation, ensuring that donors receive the most benefit from their charitable contributions and that their philanthropic dollars are used to the fullest extent.

Community foundations received an estimated \$4.2 billion in gifts in 2004. They accept gifts of various sizes and types from private citizens, corporations, government agencies and other foundations. Nearly every type of gift—including real estate, closely held stock and artwork—can be contributed to a community foundation. Gifts are made from bequests and by living donors through various types of funds and deferred giving vehicles.

Community foundations range in size from the largest community foundation, the New York Community Trust, with assets totaling more than \$1.7 billion, to some with assets of \$100,000 or less. The funds are invested in diverse portfolios and sound investment management is a major aspect of community foundations' work.

All share the common goal of serving donors, nonprofit organizations and the community as a whole. In addition, one of a community foundation's special functions is to evaluate and help coordinate the needs and services in its communities, so that charitable gifts are used effectively to fulfill a community's most critical needs.

Last Updated: October 2005